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**FORMER MANHATTAN FINANCIAL ADVISER PLEADS GUILTY IN
WHITE PLAINS FEDERAL COURT TO PARTICIPATING
IN CONSPIRACY TO DEFRAUD GUARDIANS OF DISABLED CHILDREN**

PREET BHARARA, the United States Attorney for the Southern District of New York, and JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI") announced that CHARLES WINITCH, a former financial adviser at a large wealth management firm in Manhattan, pled guilty today to participating in a scheme to defraud clients of that firm by engaging in unauthorized and inappropriate trading in certain accounts in order to obtain large commissions. WINITCH pled guilty before U.S. District Judge CATHY SEIBEL in White Plains federal court.

Manhattan U.S. Attorney PREET BHARARA said: "Charles Winitch abused his position as a trusted financial adviser in a way that affected some of the most truly vulnerable among us - mentally and physically disabled children - to line his own pockets. We will do everything within our power to ensure that the punishment fits the crime."

FBI Assistant Director-in-Charge JANICE K. FEDARCYK said: "This was a clear-cut case of self-dealing, to the detriment of a very vulnerable group to whom Winitch had a fiduciary responsibility. Very specific investment restrictions were disregarded in order to maximize personal profit. Ethics aside, this was a serious crime that the FBI dealt with seriously."

According to the Information filed on December 10, 2010, and statements made during today's guilty plea proceeding:

From November 1998 through August 2005, WINITCH was employed as a financial adviser at a large wealth management firm in Manhattan that maintained certain accounts containing money provided as part of a medical malpractice settlement (the "Settlement Funds") to minors who, as a result of injuries they sustained at birth, were permanently mentally and physically disabled (the "Disabled Children"). Those accounts were held in trust by the guardians of the Disabled Children (the "Guardians" and "Guardian Accounts"). Court orders issued in connection with the distribution of the Settlement Funds to the Disabled Children (the "Court Orders") directed that the Settlement Funds were to be invested only in portfolios of either U.S. Treasury Bonds or New York Municipal Bonds in a manner that was low-risk and would provide reliable, long-term income for the Disabled Children.

From March 2004 through July 2005, WINITCH and his co-conspirators engaged in a scheme to defraud the Guardians by executing unauthorized and unsuitable financial transactions in the Guardian Accounts that were not consistent with the Court Orders. They did so in order to obtain large commissions for themselves.

In furtherance of the scheme to defraud, WINITCH invested millions of dollars from the Guardian Accounts despite knowing that he did not have the authority or the consent of the Guardians to do so, and knowing that material misrepresentations and material omissions had been made to the Guardians about the execution and suitability of those transactions. Through their scheme to defraud, WINITCH and his co-conspirators obtained approximately \$198,784 in net commissions, while the Guardian Accounts incurred either financial losses or profits that were significantly lower than the profits that would have resulted from transactions that were consistent with the Court Orders.

WINITCH, 51, of Scarsdale, New York, is scheduled to be sentenced on March 18, 2011 by U.S. District Judge SEIBEL. He faces a maximum term of 20 years in prison; fines of up to \$250,000 or twice the gross gain or loss resulting from that offense; restitution; and forfeiture of ill-gotten gains.

Mr. BHARARA praised the work of the FBI. He added that the investigation is continuing.

This matter is being handled by the White Plains Division of the U.S. Attorney's Office. Assistant U.S. Attorney ANNA M. SKOTKO is in charge of the prosecution.